

Al Rajhi Bank

Ex. 65

MINUTES – BANKS' SELF-SUPERVISORY COMMITTEE MEETING

7 October 2001

CONFIDENTIAL

Attendees

Fawzi AlHobayb (Chairman)	ANB
Khalid Alluhidan	SAMA
Chandan Jebcyli	SAMBA
Saleh M. Al-Jerbou	Al-Rajhi
Mohdeen U.M. Hussain	Hollandi
Naif S. AlBashir	NCB
Mohammed Ali Al-Saadi	BSFR
James Stewart	Riyad
Nabeel A. Shoaib	SABB

Introduction and Welcome

Fawzi AlHobayb (ANB), Chairman of the Committee, opened the meeting and welcome the bank representatives.

Issues Discussed

1. Implementation Status – SAMA's Circular regarding UN resolution on terrorism and the Memo of Mr. Neme Sabbagh, MDs' Committee Chairman, regarding the Executive Order of the US Treasury

Some difficulties were encountered as outlined below:

- the search criteria was based mainly on names and there was no information on identification numbers. It is difficult to search by names as there are names with the same spelling.
- certified cheques and fund transfers involving the listed names might take more time due to the period given and the volume of transactions.

On account of similarity of names whereby system search could come up with many items matching a given name criteria, banks acknowledged and agreed that any such search would have inherent limitations. It was, therefore, agreed that confirmation to be provided to SAMA by each bank would be worded as follows:

“Based on the search performed, the results revealed”

Some banks' representatives raised a concern on blocking the transactions involving the listed names before reporting to SAMA because it may adversely affect innocent customers due to similarity of names. Khalid Alluhidan agreed to report first such transactions to SAMA for instructions before blocking.

It was agreed that an assessment of the implementation will be performed by each bank to determine the target completion.

2. Money Laundering

James Stewart suggested and presented a draft statement with regard to the Money Laundering controls and guidelines in Saudi Arabia similar to the Y2K statement from

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Saudi banks, to be posted in the banks' website. James will send a copy of the said statement by e-mail to Committee members for review and feedback.

3. Action Plan

The Committee agreed to develop an action plan on strengthening the Saudi banks position on this situation to be presented to the MDs' Committee for endorsement.

4. Other Matters

The Committee discussed other issues such as: new accounts opening and archiving of data/information.

Date of Next Meeting

Tuesday, October 16, 2001, 10:00 a.m. at SAMBA.

Agenda

Review of previous minutes
Implementation status of accounts and transactions search
Review of draft statement on Money laundering controls in Saudi Arabia
Other Matters